2013

SMALL BUSINESS, BIG IMPACT

ALBERTA SMALL BUSINESS PROFILE

The Building Alberta Plan

Alberta Government

CONTENTS

3 PREFACE

4 HIGHLIGHTS

5 SMALL BUSINESSES IN ALBERTA

15 KEY INDUSTRIES IN FOCUS

- 15 Manufacturing
- 17 Architecture, Engineering and Construction
- 19 Transportation
- 20 Tourism

23 REGIONAL SNAPSHOT

27 LOOKING AHEAD TO FUTURE GROWTH

PREFACE

Small business is integral to the fabric of Alberta. Every day, enterprising Albertans across the province devote their time, energy, ideas, and optimism into building small businesses that contribute to our growing economy. In the course of this, they enrich the quality of life in all Alberta communities - urban and rural, big and small. They also play integral roles in powering Alberta's large resource industries, providing crucial goods and services to support these operations.

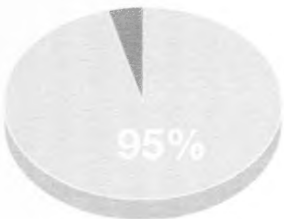
Over the past few years, small businesses in Alberta have demonstrated an incredible ability to adapt. A global economic slowdown, a recession in Alberta, a strong Canadian dollar, weak demand levels for exports and fluctuating resource prices have all directly and indirectly impacted the fortunes of small business. Despite these challenges, small businesses have held their own. While there are exceptions, most have adapted and innovated such that they have not only survived, but thrived.

With a return to a steadier economic state, small businesses are feeling more confident and taking advantage of new opportunities that are emerging. The number of small businesses has jumped 3.2 per cent over 2012, signaling that people are starting businesses to chase dreams and opportunities. There are also signs that some small businesses are scaling up and graduating into larger business classes.

In addition, Alberta continues to support the creation of new ventures like no other place in Canada. Once again, our province boasts the highest number of small businesses per capita in the country.

The *2013 Small Business, Big Impact: Alberta Small Business Profile* illustrates the evolution taking place among small businesses in Alberta. It provides useful statistics and explores the special roles small businesses play in some of Alberta's most significant and growing industries.

HIGHLIGHTS

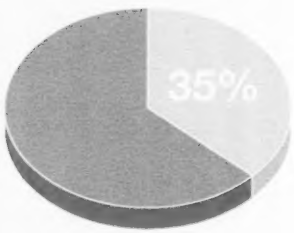


Dominating Alberta's business landscape.

Small businesses make up 95 per cent of all businesses in Alberta. In 2012, there were 147,702 small businesses.

Generating value across the economy.

In 2011, small businesses in Alberta generated more GDP per capita than almost any other Canadian province, far exceeding the national average.

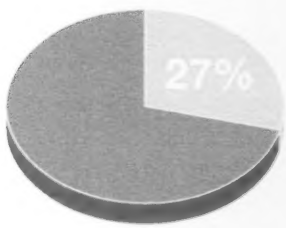


Employing thousands of Albertans.

Alberta's small businesses were responsible for 35 per cent of all private sector employment in the province in 2012.

Finding opportunities and growing in numbers.

Between 2002 and 2012, the number of small businesses in Alberta increased by nearly 13 per cent - the second highest growth rate in Canada.



Contributing to a bigger, better Alberta.

Small businesses contributed 27 per cent of the province's Gross Domestic Product in 2011.

1 SMALL BUSINESSES IN ALBERTA

Small businesses can be found in every corner of our province. Day after day, they are generating incredible value across the economy and enriching the vibrancy of our communities. They are vital members in the complex value chains that produce a wide range of Alberta goods - everything from machinery, to food products, to energy products.

Alberta's small businesses are not only surviving, but actively growing through new economic opportunities.

While there are many ways of categorizing businesses, in this publication a small business is one that has between one and 49 employees.[1] In addition to thousands of small businesses, Alberta is home to many self-employed individuals. To the extent these individuals do not have paid employees, they are considered distinct from small businesses.

Alberta's small businesses have faced many challenges over the past few years due to numerous events. These include a recession in Alberta, worldwide economic volatility, and a decline in exports to our province's biggest trade market, the United States of America. Through it all, small businesses have remained resilient, adapting their enterprises accordingly.

Now, as our province has firmly returned to growth, small businesses are not only surviving, but actively growing through new economic opportunities.

1 Statistics, tables and figures in this document are based on this definition, unless stated otherwise.

Dominating the business landscape

Small businesses remain the predominant size of business in Alberta. In 2012, small businesses comprised 95 per cent of all businesses in the province.

While this share is down one percentage point from the previous year, this does not reflect a decline in small business. On the contrary, between 2011 and 2012 there were over 4,500 more small businesses added to Alberta's business landscape. At the same time, however, the number of medium and large businesses in Alberta experienced sizable growth.

TABLE 1

Number of Businesses, Alberta 2012

	# of Businesses	% of Total
Total Small Businesses	147,702	95%
Total Medium & Large Businesses	7,051	5%
Total All Businesses	154,753	100%

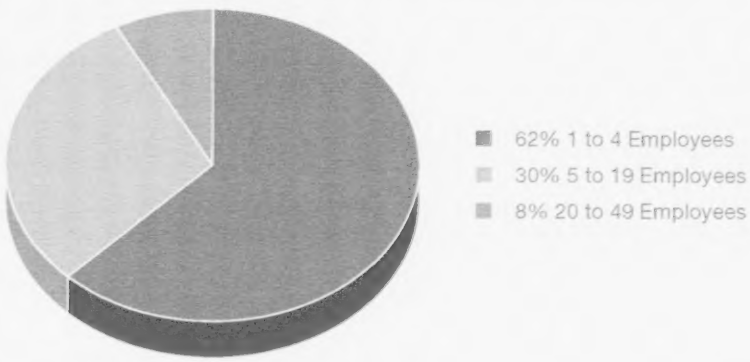
Source: Statistics Canada (Canadian Business Patterns)

This is a positive picture. Strong growth in businesses of all sizes indicates that Alberta's economic recovery has firmly taken hold. While there have clearly been new small business entrants, a number of firms have "scaled up" to become medium and large businesses.

Among small businesses, micro-businesses - those with between one and four employees - continue to represent the majority.

FIGURE 1

Share of Number of Small Businesses, by Employee Size



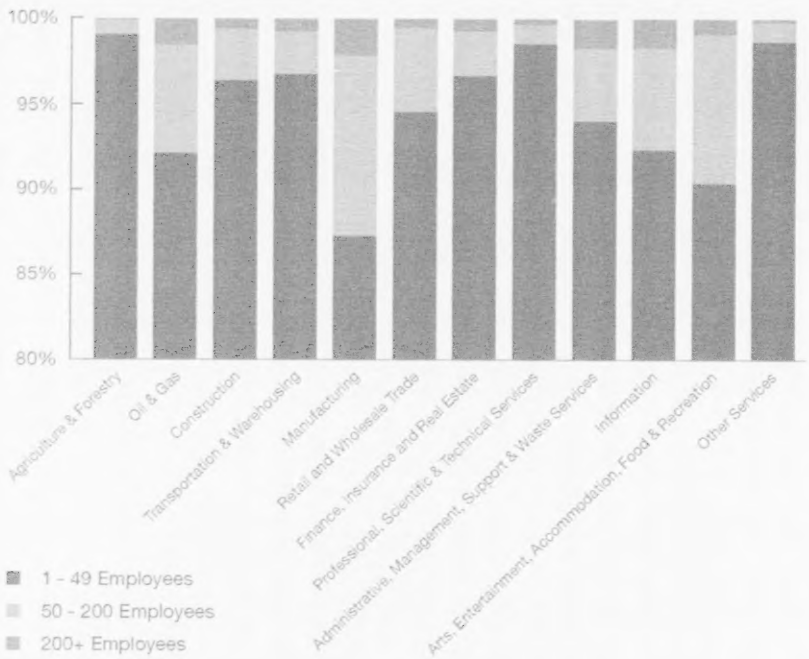
Source: Statistics Canada (Canadian Business Patterns)

The strength of small business numbers is felt across the entire economy. Small businesses comprise at least 90 per cent of all businesses in nearly every industry. The exception is the manufacturing sector where over 85 per cent are small businesses.

This pattern is largely consistent with previous years, signaling stability in Alberta's economy. Notable changes from 2011 are increases in small business representation in agriculture and forestry; retail and wholesale trade; finance, insurance and real estate; and information. This suggests new economic opportunities in these industries have attracted additional small business entrants.

FIGURE 2

Percentage of Businesses by Enterprise Size by Industry in Alberta, 2012



Source: Statistics Canada (Canadian Business Patterns)

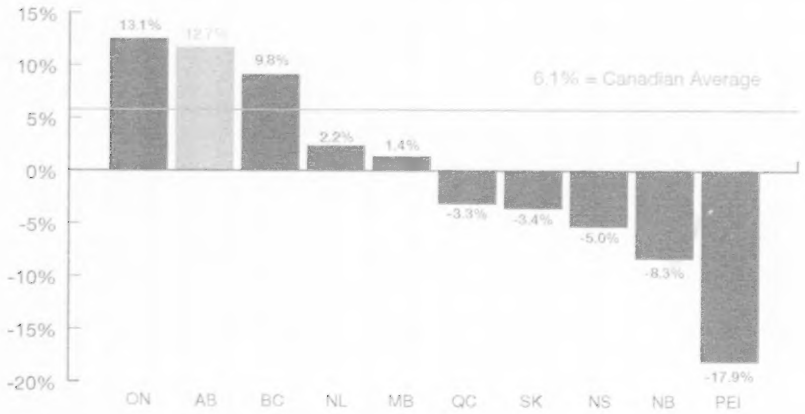
Taking root and growing in Alberta's business-friendly climate

Small businesses continue to choose Alberta as one of the preferred places to set up shop, extending a multi-year trend. Between 2002 and 2012, the number of small businesses in Alberta increased by almost 13 per cent,[2] more than doubling the national growth rate of 6.1 per cent. Our favourable investment climate, including a competitive tax regime, makes Alberta an attractive location where many different kinds of business opportunities can be found.

2 Source: Statistics Canada (Canadian Business Patterns)

FIGURE 3

Small Business – Cornerstone of the Economy 2002-2012 [Percentage Change in Small Business Establishments (Less than 50 Employees)]



Source: Statistics Canada (Canadian Business Patterns)

Interestingly, the pattern of growth appears to be shifting. In past years, growth in the number of micro-businesses has accounted for much of the overall growth of small businesses. While they remain influential, the five-year growth rate of micro-businesses has slowed to 4.5 per cent. Meanwhile, small businesses having between 20 and 49 employees have noticeably increased by 6.1 per cent. This may indicate that more small businesses are expanding and adding more employees, a reflection of Alberta's return to sound economic footing.

TABLE 2

Net Growth in Number of Businesses 2007-2012

Change by Business Size	Change in # of Businesses	Growth Rate
Change in Small Businesses	5,407	3.8%
Businesses with 1 to 4 Employees	3,963	4.5%
Businesses with 5 to 19 Employees	780	1.8%
Businesses with 20 to 49 Employees	664	6.1%
Change in Medium and Large Businesses	291	4.3%
Total Change in Number of All Businesses	**5,698**	**3.8%**

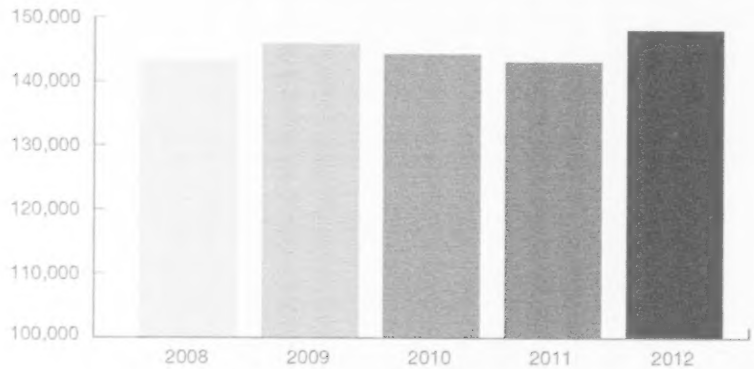
Source: Statistics Canada (Canadian Business Patterns)

The total number of small businesses in Alberta has once again climbed, reversing a recent trend. During the past five years, this number has fluctuated in response to recessionary conditions. In 2009, when recession hit Alberta, the number of small businesses increased. Many Albertans experienced changes in their employment situations, and some likely turned to small business as an alternative.

As the recession passed and economic conditions began to improve, in 2010 and 2011 the number of small businesses gradually fell. This was likely a reflection of Albertans finding employment once again, and choosing to close or sell their small businesses. Between 2011 and 2012, the number of small businesses has noticeably increased. Rather than an indication of recession, this is an indication of stronger economic conditions. With a stronger economy more business opportunities are created, attracting additional numbers of small business entrants and encouraging further creation of new business ventures.

FIGURE 4

Number of Small Businesses in Alberta, 2008-2012



Source: Statistics Canada (Canadian Business Patterns)

Seizing opportunities across Alberta's economy

While small businesses are found in every sector across the economy, there are a number of standouts. Nearly half of Alberta's small businesses are found in the industries of: construction; professional, scientific and technical services; and retail and wholesale trade.

This is partly a reflection of Alberta's economy. In the course of producing and processing natural resources, large companies make use of many small businesses to help construct facilities and undertake technical work. They also spend large amounts of money sourcing goods, thereby supporting retail and wholesale business.

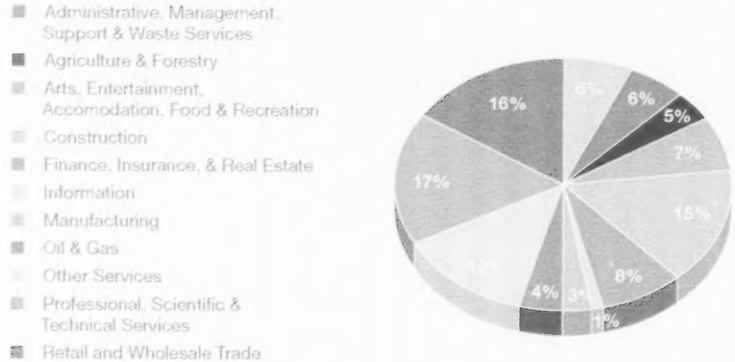
The share of small businesses in the agriculture and forestry industry, and in the transportation and warehousing industry, has increased since last year. Rebounding prices for agricultural goods and improved export levels have helped encourage the growth of small business in this area. Increased trade, brought on by improved economic conditions, has supported growth of small transportation businesses and small warehousing firms.

The nature of our province's economy is also reflected in small business employment. For example, in 2012, small businesses in the construction industry employed 16 per cent of all small business employees in Alberta; this is an increase from 15 per cent the previous year. High levels of investment are generating more construction activity.

Small businesses in other sectors are strong contributors to employment, relative to their numbers. Businesses in arts, entertainment, accommodation, food and recreation are a good example. While they make up only seven per cent of Alberta's small businesses, they are responsible for 15 per cent of all small business employment. Similarly, only three per cent of Alberta's small businesses are found in manufacturing, yet they employ seven per cent of all small business employees.

FIGURE 5

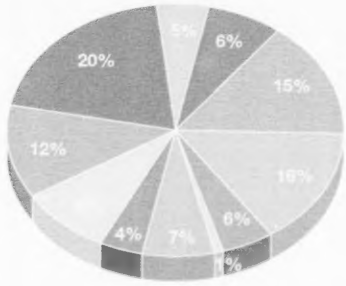
Proportion of Small Businesses in Alberta by Sector, 2012



Source: Statistics Canada (Canadian Business Patterns)

FIGURE 6

Share of Small Business Employees in Alberta by Sector, 2012



Source: Survey of Employment, Payrolls and Hours (SEPH)

*Agriculture statistics unavailable

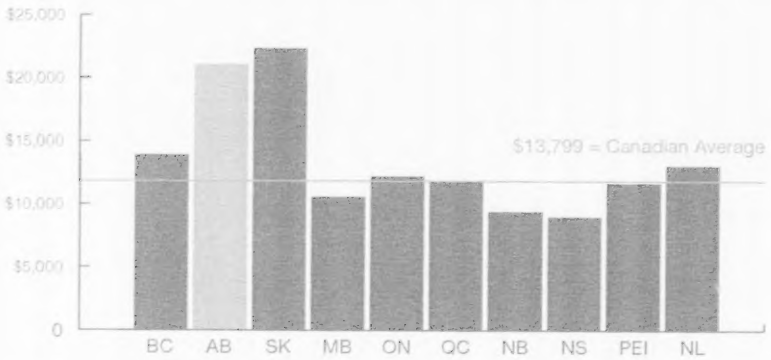
Punching above their weight

Continuing a trend of previous years, Alberta's small businesses stack up very well against small businesses in other provinces. They remain a vital contributor to the economy, in terms of value and employment.

Alberta's small businesses continue to be leaders in generating economic activity. In 2011, they generated the second-highest Gross Domestic Product (GDP) per capita in Canada. Once again, small businesses in Alberta far outpaced the Canadian average in this measure. This is particularly impressive given that Alberta is home to many large resource companies which generate high levels of economic activity. Rather than be overshadowed by these larger firms, Alberta's small businesses contribute 27 per cent of provincial GDP - right in line with the national average.

FIGURE 7

Small Business GDP per Capita by Province, 2011



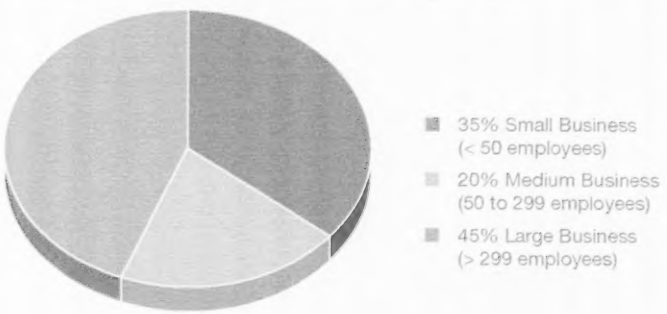
Source: Statistics, Canada BC Stats

In terms of employment, small businesses in Alberta also continue to make substantial contributions. In 2012, 35 per cent of all private sector employment in the province was attributable to small business. Again, this is impressive given the number of large corporations in the province.

While this figure is slightly down from 36 per cent in 2011, this is not due to small business weakness, but rather employment growth by large businesses. It also may reflect small businesses taking advantage of economic opportunities, adding employees and becoming larger.

FIGURE 8

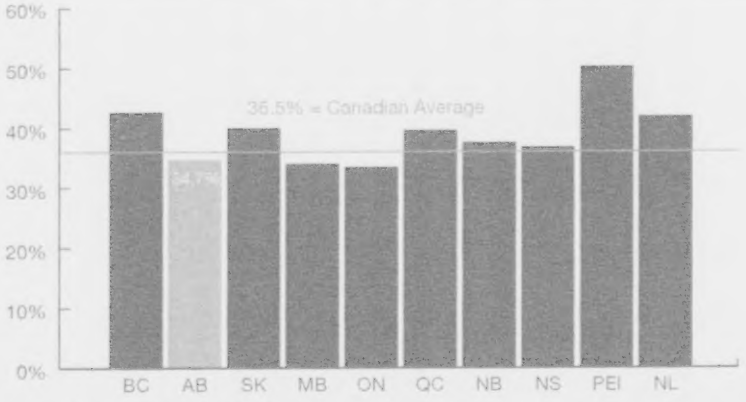
Share of Total Employment in Alberta, 2012



Source: Statistics Canada (SEPH)

FIGURE 9

Small Business as a Percentage of Private Sector Employment by Province, 2012



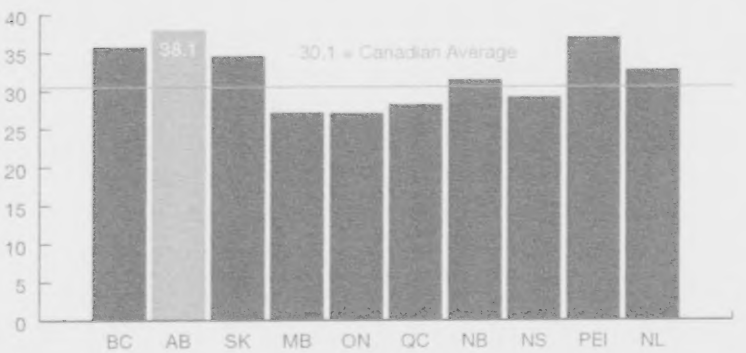
Source: Statistics Canada (SEPH)

Our province continues to stand out for the entrepreneurial spirit of its citizens and the attractive business climate it offers. This climate continues to foster the creation of new business ventures.

Once again, Alberta maintains the top spot in Canada for the number of small businesses per 1,000 people. This is a reflection of Alberta's diverse economic opportunities, and the high levels of investment coming into the province.

FIGURE 10

Number of Small Businesses per 1,000 People, by Province, 2012



Source: Statistics Canada (Canadian Business Patterns)

Giving young people a start in the workforce

Younger generations continue to benefit from employment opportunities offered by small businesses. Among businesses with less than 20 employees, 22 per cent of workers were aged 15 to 24 in 2012. Small businesses remain a reliable place where Alberta's youth can obtain employment experience.

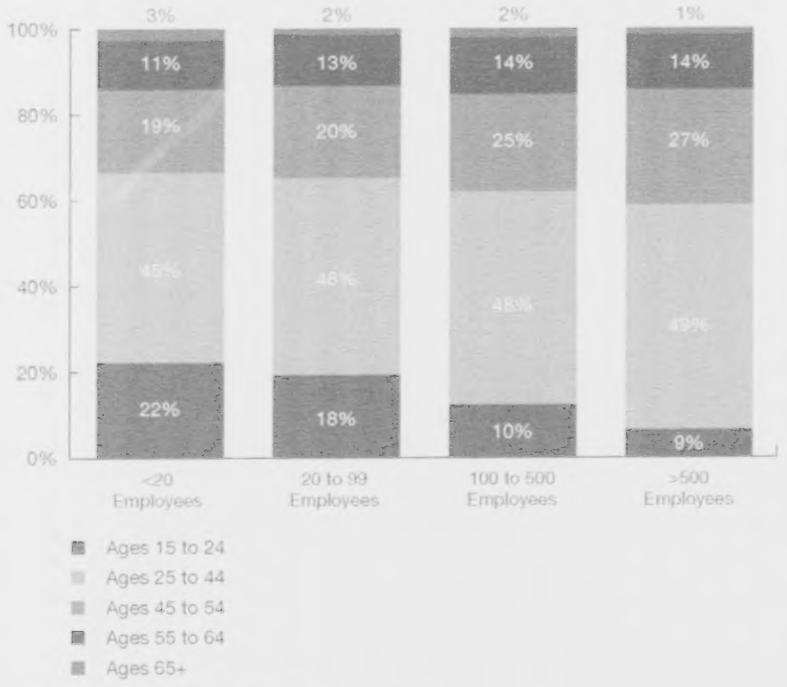
Continuing a trend seen in previous years, the share of youth employment falls as businesses become larger. However, youth have become a larger percentage of the workforces of large businesses having more than 500 employees compared to the previous year. This may be a result of large firms adapting to a tight labour market by turning to young people to fill job openings, and sidestepping intense competition for more experienced workers.

Interestingly, the numbers suggest that younger adults are also shifting towards small businesses. Compared to 2011, workers aged 25 to 44 make up a smaller share of the workforce in companies with 100 employees or more. Instead, they have higher representation in companies with fewer than 100 employees. This cohort may be deliberately moving to smaller businesses as places where they can take on challenges and gain a different kind of experience.

Older workers (i.e. those aged 65 and older) also seem to be migrating towards smaller businesses. Among businesses with 20 to 99 employees, the share of older workers in the workforce rose between 2011 and 2012, from 1.5 per cent to 2.2 per cent. This may be a result of older workers making new employment choices as they transition to retirement. Some may be opting to leave their full-time jobs at large companies in favour of working part-time for a smaller firm.

FIGURE 11

Age Structure of Employment by Enterprise in Alberta, 2012



Source: Statistics Canada (Labour Force Survey (LFS))

Kobe Classic Beef

CAMROSE, ALBERTA

What started as a hobby for Pat and Kim McCarthy quickly turned into a full time business for the couple, who have taken Alberta-grown beef to a whole new level.

Kobe Classic Beef grew out of Pat's interest in Wagyu cattle. The meat from these animals is known for its high quality and intense marbling. Pat travelled to Japan to learn more about Wagyu cattle, and his journey led him and Kim to develop an innovative product and an expanding enterprise.

The product sold by Kobe Classic Beef is the amazing result of careful cross-breeding between the McCarthy's Japanese Wagyu bull and their well-established Angus herds. The couple follows a traditional Japanese-style feeding program, using no hormones. Their unique program has enabled them to develop a niche market for their high quality beef, which is sought after by chefs, high-end restaurants and grill enthusiasts across Canada and around the world.

Like other small businesses, Kobe Classic Beef has adapted and evolved in response to changing market conditions. Originally, the company's primary business was export-based, providing their product to Asian markets. When international markets closed their doors to Canadian beef during a BSE scare, Kobe Classic Beef re-evaluated its business approach and turned to domestic markets.

With that decision, the company also took on the additional challenge of creating value-added products such as strip loin steaks and burgers, and developed an internet-based line of business. Customers across Canada can order Kobe Classic Beef products from the comfort of their homes, with delivery to their doorsteps the next day.

As international markets have re-opened to Canadian beef products, the McCarthys have been hard at work to expand markets for Kobe Classic Beef. While Kim handles the domestic side of the business, including logistics and running the office, Pat is traveling the world marketing the company's products.

It's a delicious story of innovation, adaptation and value-adding, built on our province's longstanding strength in agriculture.

www.kobeclassicbeef.com

2 KEY INDUSTRIES IN FOCUS

Alberta's economy has a number of industries that are particularly noteworthy when it comes to small businesses. These industries also play vital roles in contributing to our province's economic diversification and to value-added activity. This section examines small businesses in the key industries of: manufacturing; architecture, engineering and construction; transportation; and tourism.

Manufacturing

Alberta's manufacturing sector employs thousands of Albertans and generates significant value-added activity. Alberta's manufacturers fashion a range of finished goods. Areas of manufacturing expertise in our province include metal fabrication and equipment manufacturing.[3] In addition to fabricating many products for Alberta's resource development industries, such as boilers, tanks, structural metals and industrial machinery, Alberta's manufacturers are increasingly exporting products to other countries with growing resource sectors.

In 2012, the value of Alberta manufacturing shipments rang in at $73.5 billion.

Manufacturing makes a sizable contribution to Alberta's economy. In 2011, the manufacturing industry accounted for 8.4 per cent of the province's GDP.[4] In 2012, the value of Alberta manufacturing shipments rang in at $73.5 billion.[5] This level of activity translates into plenty of economic opportunities for small businesses.

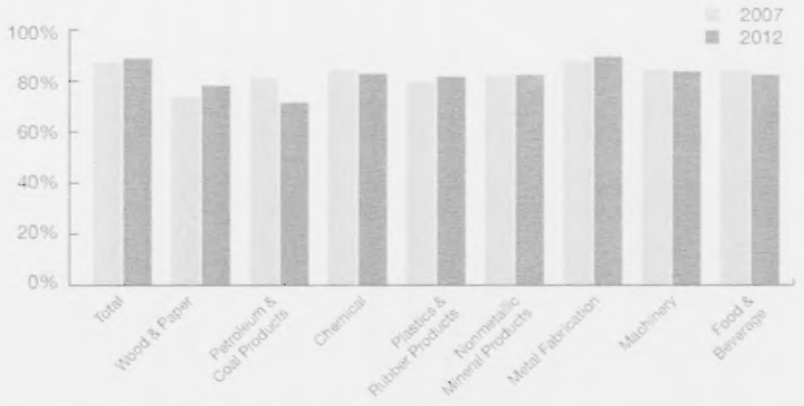
In 2012, over 85 per cent of all manufacturing businesses in Alberta were small businesses. Over a third of these are involved in producing machinery and fabricating metals. Many products from these firms help support resource development, including drilling rigs, upgraders, and oil sands plants.

3 For more on metal manufacturing in Alberta, see http://www.albertacanada.com/business/industries/metal-manufacturing.aspx

4 Statistics Canada. National Economic Accounts.

5 Alberta Enterprise and Advanced Education. (2013). *Highlights of the Alberta Economy 2013*. Government of Alberta.

FIGURE 12
Small Businesses as a Percentage of Manufacturing Industry in Alberta



Source: Statistics Canada (Canadian Business Patterns)

Between 2007 and 2012, there has been a decline in the overall number of small manufacturing businesses. Manufacturers have dealt with a number of challenges over this period, including a strong Canadian dollar, weak international demands and fluctuating commodity prices. These factors have likely contributed to some business consolidation in the sector.

One noteworthy change over the five year period has been a decline in the number of small businesses in petroleum and coal products, which fell by 37 per cent. Changes in resource prices and evolutions in energy markets have no doubt played a role here. The number of small businesses in food and beverage manufacturing also fell by nine per cent during the same period. This is chiefly attributable to drops in the number of businesses in dairy products, meat products and bakeries.

TABLE 3
Total Small Businesses in Manufacturing, Alberta, 2007 & 2012

Industry Grouping	2007	2012	5-Year Change
Total Manufacturing	4700	4362	-7%
Wood & Paper	260	250	-4%
Petroleum & Coal Products	46	29	-37%
Chemical	187	175	-6%
Plastics & Rubber Products	138	135	-2%
Nonmetallic Mineral Products	198	189	-5%
Metal Fabrication	959	921	-4%
Machinery Manufacturing	613	588	-4%
Food & Beverage Manufacturing	433	395	-9%

Source: Statistics Canada (Canadian Business Patterns)

Decline in the number of small businesses across the entire manufacturing industry is indicative of structural changes taking place in the sector. It is consistent with a broader trend in North America of manufacturing businesses scaling up into larger firms in order to realize economies of scale and better compete with international manufacturers. Many manufacturing firms are taking advantage of a strong Canadian dollar to invest in new equipment and enhance their productivity.

As small manufacturing businesses adapt to changing economic conditions, they are repositioning themselves for future success. With the economy now on sounder footing and new investments being made in Alberta's resource industries, demand for manufactured goods will likely climb.

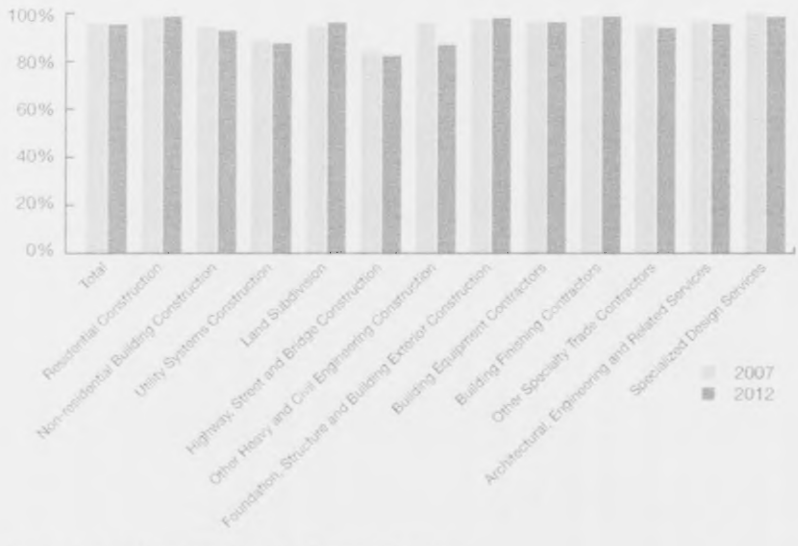
Architecture, Engineering and Construction

The number of small businesses in the architecture, engineering, and construction sector is substantial and growing. In 2012, nearly 26,000 small businesses were in the industry, a five per cent increase from 2007. In practically every sub-sector of this industry, small businesses account for well over 90 per cent of all businesses.

This makes sense when you consider what goes into a construction project. A project usually involves many different types of small subcontractors and firms. Architects, engineers, and related personnel are typically engaged to design the technical aspects of the project. These are often specialized consulting firms with less than 50 employees. Once construction begins, an army of specialized companies each make unique contributions to the project - from foundation and exterior work to framing and interior finishing.

FIGURE 13

Small Businesses as a Percentage of Total Architecture, Engineering, and Construction Industry in Alberta



Source: Statistics Canada (Canadian Business Patterns)

During the past five years, the number of small businesses in this sector has expanded in response to increased economic activity and opportunities. Major stand outs have been in the "other heavy and civil engineering construction" (22 per cent increase) and in "non-residential building construction" (nine per cent increase). Small businesses in these sub-sectors have experienced direct benefits from investment choices made by public and private organizations.

As a response to and following the recession, many governments have made significant infrastructure investments to boost the economy. A long period of low interest rates has also made it attractive for businesses to invest in capital projects. Put simply, it is a good time to build and this has contributed to a construction boom. The result has been a flurry of economic activity in the sector, generating countless opportunities for small businesses and attracting many new small business entrants.

TABLE 4

Total Small Businesses in Architecture, Engineering, and Construction, Alberta, 2007 & 2012

Industry Grouping	2007	2012	5-Year Change
Total Architecture, Engineering, and Construction	24,554	25,872	5%
Residential Construction	3,518	3,820	9%
Non-residential Building Construction	983	1,094	11%
Utility Systems Construction	1,034	1,131	9%
Land Subdivision	439	425	-3%
Highway, Street and Bridge Construction	324	333	3%
Other Heavy and Civil Engineering Construction	82	100	22%
Foundation, Structure, and Building Exterior Contractors	2,955	2,958	0%
Building Equipment Contractors	3,535	4,018	14%
Building Finishing Contractors	3,512	3,627	3%
Other Specialty Trade Contractors	1,992	2,110	6%
Architectural, Engineering, and Related Services	5,628	5,660	1%
Specialized Design Services	552	596	8%

Source: Statistics Canada (Canadian Business Patterns)

With Alberta's economy now on more solid footing, commercial activity has stabilized. Consumers and businesses are spending on a range of products and services, which in turn is creating demands for non-residential construction such as offices, vehicle dealerships, industrial spaces and retail outlets.

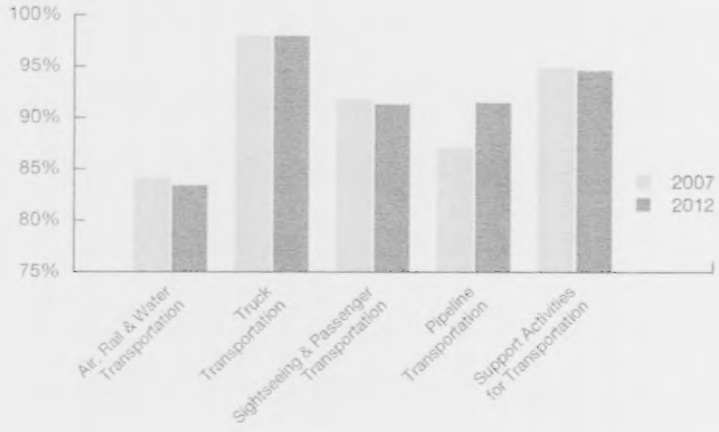
Transportation

A critical enabler of Alberta's overall economy, the transportation sector is relied upon by Albertans and Alberta businesses every day. Transportation companies are vital players in day-to-day life in Alberta, helping facilitate the smooth flow of people and goods within our province, and connecting Alberta with other national and international markets.

In 2012, there were nearly 7,000 small businesses in Alberta's transportation sector. Over 80 per cent of these are in the truck transportation sub-sector. This is understandable given Alberta's geographically landlocked position. Freight trucks are a key method used by companies to transport goods from Alberta to U.S. markets, and to tidewater ports for ongoing shipping to international destinations.

FIGURE 14

Small Businesses as a Percentage of Total Transportation Industry in Alberta



Source: Statistics Canada (Canadian Business Patterns)

Over the past five years, the number of small businesses in this sector has remained quite stable. This is a testament to the adaptability of small business. Trucking businesses are particularly sensitive to recession since this typically results in fewer goods being shipped. They are also sensitive to changes in oil prices, since a key input cost is fuel. Between 2007 and 2012, Alberta has experienced recession and strong oil and fuel prices. Despite these challenges, small businesses in this sub-sector have kept on trucking. With Alberta's return to stable economic footing, small businesses in transportation are well positioned to seize opportunities and grow.

With Alberta's return to stable economic footing, small businesses in transportation are well positioned to seize opportunities and grow.

TABLE 5
Total Small Businesses in Transportation, Alberta, 2007 & 2012

Industry Grouping	2007	2012	5-Year Change
Total Transportation	6,824	6,903	1%
Air, Rail, & Water Transportation	127	115	-9%
Truck Transportation	5,543	5,619	1%
Sightseeing & Passenger Transportation	365	353	-3%
Pipeline Transportation	101	105	4%
Support Activities for Transportation	688	711	3%

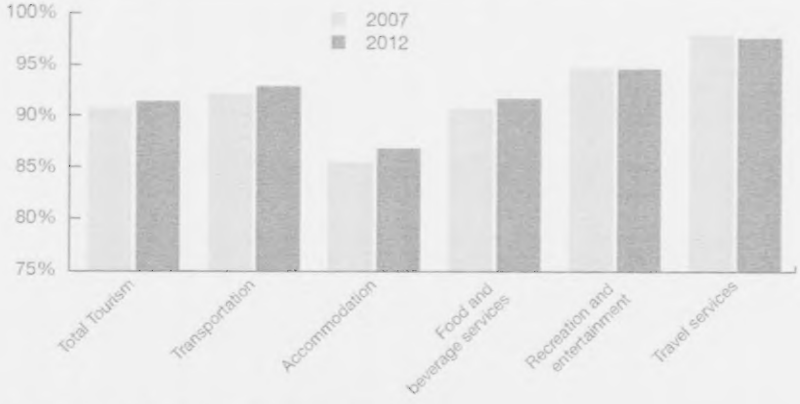
Source: Statistics Canada (Canadian Business Patterns)

Tourism

Alberta is blessed with abundant natural assets that make tourism a growth industry in the province. As home to scenic landscapes, the Rocky Mountains, Banff and Jasper National Parks and culturally vibrant cities, our province has many economic opportunities in tourism. In 2011, Alberta's tourism industry generated approximately $7.8 billion in visitor receipts, and recorded 41.7 million person-nights of overnight accommodation stays.[6]

There are over 8,700 small businesses in tourism, representing at least 85 percent of all businesses in each tourism sub-sector. The majority are in accommodation and food and beverage services. This includes bed and breakfasts, independent inns and motels, and a diverse and growing number of restaurants, bars, and other eating establishments.

FIGURE 15
Small Businesses as a Percentage of Total Tourism Industry in Alberta



Source: Statistics Canada (Canadian Business Patterns)

6 Alberta Enterprise and Advanced Education. (2013). *Highlights of the Alberta Economy 2013*. Government of Alberta.

Between 2007 and 2012, the number of small tourism businesses has steadily grown. Not surprisingly, the largest increases have been in accommodation and food and beverage services. Increases in accommodation businesses have been driven by hotels, RV parks and campgrounds, while those in food and beverage are attributable to a growing number of small restaurant businesses.

Small businesses in these two sub-sectors not only benefit from traditional tourism activity, but also from day-to-day spending by Albertans and Alberta businesses. The energy industry, for instance, spends significant amounts of money on accommodation, food and beverage for workers who are working away from home to build and service energy projects. Rural diners, motels, and inns are directly boosted by this activity.

A notable decrease in small tourism businesses has occurred in the travel services sub-sector, which has fallen by 12 per cent over the past five years. Businesses in this sub-sector are adapting as people increasingly turn to the internet and other mechanisms to book travel.

TABLE 6
Total Small Businesses in Tourism, Alberta, 2007 & 2012

Industry Grouping	2007	2012	5-Year Change
Total Tourism	8,418	8,766	4%
Transportation	668	637	-5%
Accommodation	992	1,050	6%
Food and Beverage Services	5,892	6,272	6%
Recreation and Entertainment	393	392	0%
Travel services	473	415	-12%

Source: Statistics Canada (Canadian Business Patterns)

Rates of growth in the number of small tourism businesses vary across the province. These businesses tend to be attracted to areas where tourism visitors are likely to be found. Not surprisingly, the largest increase has been in the Mountain Parks areas, where the number of small tourism businesses climbed by almost 10 per cent between 2007 and 2012. During the same period, Calgary and Edmonton experienced the second-highest and third-highest growth rates, while in the rest of the province, small tourism businesses were slower to take hold.

Highland Executive Chauffeur

CANMORE, ALBERTA

It's one of those cases where a savvy person sees a need in the marketplace, works to meet that need, and builds a business from scratch. When Gerrard Connelly and his fiancé Jennifer arrived in Canada from Scotland, they knew they wanted to get married in the Rockies. They also wanted a vintage car for their wedding, but turned up empty no matter where they turned. That sparked Gerrard's idea to develop Highland Executive Chauffeur.

Having a passion for the art of chauffeuring, Gerrard sought to bring his knowledge of British chauffeuring to Canada. Far different from limousine driving, the profession involves different standards of security awareness, local knowledge, dress and customer service. While he had never owned a business before, Gerrard decided to follow the couple's trend of risk-taking - after all, they'd already taken a risk moving their lives to Canada - and to start a professional chauffeuring company.

Today, Highland Executive Chauffeur delivers professional chauffeuring services in the Calgary, Banff, Lake Louise and Canmore areas. With six employees, the company has grown quickly over the past three years. All of the company's drivers undergo training to ensure impeccable customer service that truly represents what it means to be a chauffeur. Gerrard intends to expand the business, and has a vision of franchising the company and providing services in other Canadian cities.

The company's dedication to meeting people's needs was on full display during the 2013 flood emergency in southern Alberta. Community members report that Gerrard used vehicles in the company's fleet to deliver food to emergency workers and heavy equipment operators working in Cougar Creek, helping them as they worked around the clock. Even though the company was suffering lost business opportunities as a result of the flooding, Gerrard leveraged the business to help others.

Despite being nominated as a "Flood Hero" for these efforts, Gerrard shrugs off the praise. "I'm ex-military. I saw it as my civic duty. Those people were trying to save our town."

As for his business prospects as southern Alberta continues to recover from the floods, Gerrard is an optimistic small business owner. "People don't become successful by giving up."

www.highlandvip.com

3 REGIONAL SNAPSHOT

Small businesses are dominant throughout the province

Alberta's small businesses are represented well in communities throughout the entire province. They comprise approximately 95 per cent or more of all businesses in each major region.

FIGURE 16
Alberta by Region

North West

Forestry, agriculture and oil and gas are among the major industries found in the North West. This region participates significantly in the manufacturing sector, mostly focusing on wood and forest products.

North East

As home to Alberta's largest deposits of oil sands, the North East region has seen considerable economic growth over the past decade. In addition to oil and gas, the region has considerable forestry and agriculture activity. Construction and retail trade have been among the fastest-growing sectors.

Capital

The Capital region has Alberta's largest manufacturing industry and accounts for 40 per cent of the province's manufacturing shipments. The region's largest employers include the health care sector, as well as construction and retail trade.

Central

Agriculture, construction, and oil and gas are the Central region's major economic drivers. This region also contributes to the manufacturing industry, mostly concentrating on the chemical sector.

Calgary

Home to more than a third of Alberta's population, the Calgary region has a diverse economy. On an employment basis, the region's largest industries include retail trade, professional and technical services, health care, and construction.

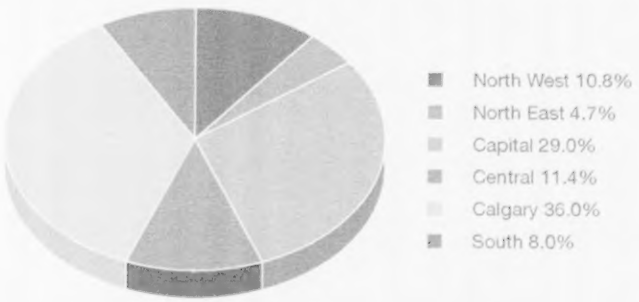
South

The agriculture sector dominates the economy of the South region, which has fostered the rise of many value-added food and beverage manufacturing companies. The region is also a large producer of wind energy and conventional oil and gas.

Population distribution continues to influence the location of small businesses. Roughly two-thirds of small businesses are in the Capital and Calgary regions. These major centres tend to attract larger businesses and they have large populations, creating large pools of consumer and commercial demand. It makes sense that greater numbers of small businesses are found in these areas.

FIGURE 17

Regional Share of Alberta Small Business, 2012

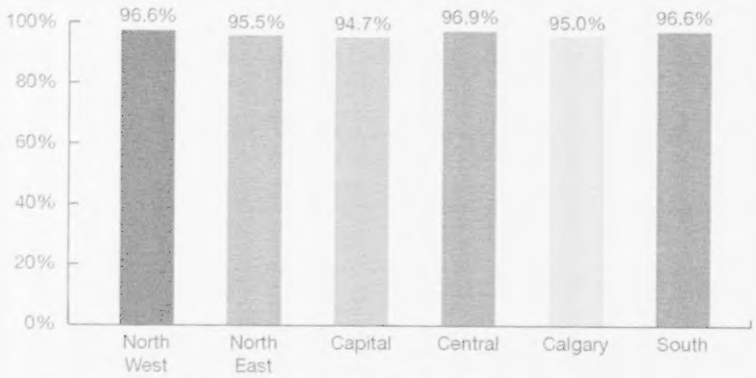


Source: Statistics Canada (Canadian Business Patterns)

The regional distribution of small businesses has remained quite static compared to last year. This suggests that economic stability has taken root across the province, and that small businesses in every region continue to find opportunities.

FIGURE 18

Small Businesses as a Percentage of All Businesses by Alberta Region



Source: Statistics Canada (Canadian Business Patterns)

Partek IT Solutions

MEDICINE HAT, ALBERTA

With a background in information technology (IT), James Parsons sensed an opportunity. He believed he could improve the experience that Medicine Hat businesses were having when it came to technology solutions and IT services. He knew he could shake up the status quo and had a vision to develop Medicine Hat's leading technology company.

The conventional model for IT services was to provide support to businesses after they were experiencing problems. In creating Partek IT Solutions, James went in a different direction, partnering with clients to essentially become their "IT department". With the use of technology, this approach enabled businesses to have more reliable, efficient and effective IT services.

James is proud of Partek's success, especially its humble beginnings. Partek started as a part time venture, with James working to build the company during evenings and weekends. Through referrals and word of mouth, the company grew to become a full-time enterprise in 2010.

Today, Partek IT Solutions is a growing firm with four committed team members. In combination with access to smart products, the company's approach to delivering IT services is leading more businesses to trust Partek with their IT needs. With approximately 300 clients across Alberta, the company offers IT support, website development, online marketing consulting and other managed services. Partek's client list spans many industries, including manufacturing, health and retail.

When asked about his biggest challenge, James points to the moment the company started hiring employees. "It was an exciting time when we grew to the point of making our first hire." says James. "Alberta offers many opportunities for small businesses, and we've made a point of attracting top talent so that we can make use of those opportunities."

www.partek.ca

4 LOOKING AHEAD TO FUTURE GROWTH

Alberta's small businesses remain vital cornerstones of our province's economy and major contributors to our prosperity and way of life. Their entrepreneurial spirit continues to do Alberta proud, and their performance remains outstanding on the national landscape.

Over the past few years, small businesses have faced challenges as our province has experienced and worked to recover from recession. Through it all, they have adapted and remained innovative, becoming stronger and learning from experience.

Now, with Alberta's economy once again on sound footing, small businesses are finding new and exciting opportunities. Rather than as a response to unemployment, small businesses are being created deliberately to support our economy, turn ideas into realities, chase dreams, and build a better Alberta.

As a major producer of natural resources, Alberta is poised for much growth in the future. Small businesses are positioned to participate in that growth, and continue to demonstrate why Alberta is the best place to live, work, invest, and do business.

Vieworx Geophoto Inc.

GRANDE PRAIRIE, ALBERTA

Vieworx

Pictures and images have been a part of Mike Head's life for a long time. During his years working in construction for the oil and gas sector, Mike would take pictures of his work through multiple stages of a project. These photographs would be provided to his customers to help them prepare for their own project work. It was in the course of delivering this service that an idea was born.

Mike knew that these oil and gas companies would need to regularly monitor their assets, such as pipelines and other facilities, including visual inspection. A relatively efficient way was to fly over the assets and acquire images of them. Mike knew he could deliver this service and improve the quality of images and data at the same time.

With that, Vieworx Geophoto Inc. came to be, and Mike soon found himself providing a specialized service with a combination of unique tools and technology. With expertise in manipulating, compiling and presenting geo-referenced data, Vieworx Geophoto provides its customers with the information they need and want in a way that is distinct from other companies. In addition to giving customers great views of their assets, Vieworx Geophoto meets its clients' need to measure objects and interact with the images.

Today, Vieworx Geophoto can fly over assets or drive through job sites while capturing high density data with fully referenced 3D images.

Vieworx Geophoto customer base extends beyond the oil and gas industry to include municipalities, forestry companies, electrical companies and others. The company has also become a family matter. With his pilot's license in hand, Mike's son Troy plays a key role in the business. Mike's daughter Terri and son-in-law, Morgan have also joined the enterprise.

"The secret to our success has been a desire to do things differently than in the past," says Mike. "We're providing geophoto services in ways that add value for our clients and give them exactly what they're looking for. Whether it's pre-planning, safety, current asset inventories, or corporate communications, Vieworx Geophoto is sharing the vision."

Vieworx Geophoto Inc. has sharp eyes in the sky, on the ground, and fixed on meeting their customers' needs. It also has its vision set on a bright and growing future.

www.vieworxvision.ca

The Building Alberta Plan

Alberta Government

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